

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)	CASE NO.
LEVEE ROAD WATER ASSOCIATION)	2016-00364

ORDER

On October 13, 2016, Levee Road Water Association (“Levee Road”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure¹.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Levee Road purchases water from Mt. Sterling Water & Sewer Company (“Mt. Sterling”).
2. In a letter delivered May 20, 2016, Mt. Sterling notified Levee Road, that Mt. Sterling’s wholesale rate to Levee Road would increase from \$2.85 per 1,000 gallons to \$2.96 per 1,000 gallons effective July 1, 2016.² Levee Road proposes to increase the water rates to its customers effective November 1, 2016, to reflect the increased cost of purchased water.
3. Levee Road proposes a purchased water adjustment factor of \$0.13 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2016-00325 (Ky. PSC Filed May 24, 2016); the tariff was accepted for filing by the Commission by letter dated June 22, 2016.

4. During the 12 months ended July 31, 2016, Levee Road purchased 58,357,697 gallons of water from Mt. Sterling. During the same period, Levee Road sold 50,195,125 gallons of water. The increase in the cost of purchased water is \$6,419.34, resulting in a purchased water adjustment factor of \$0.13 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.13 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just and reasonable and should be approved.

6. Levee Road's proposed rates as set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service rendered by Levee Road on and after November 1, 2016.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.13 per 1,000 gallons is approved.

2. Levee Road's proposed rates as set forth in Appendix B to this Order are approved for water service rendered by Levee Road on and after November 1, 2016.

3. Within 20 days of the date of this Order, Levee Road shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission

ENTERED
NOV 09 2016
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00364 DATED **NOV 09 2016**

	New Rate	Base Rate
Levee Road		
Purchases in gallons	58,357,697	58,357,697
Volumetric rate	\$ <u>2.96/1,000</u>	\$ <u>2.85/1,000</u>
	\$ 172,738.78	\$ 166,319.44

Increased water cost \$6,419.34

Increased water cost	\$ 6,419.34
Divided by gallons sold/1,000	<u>50,195,125</u>
Purchased water adjustment factor	\$ 0.1278

or \$ 0.13 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00364 DATED **NOV 09 2016**

The following rates and charges are prescribed for the customers in the area served by Levee Road Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	1,000 Gallons	\$11.17	minimum bill
Next	2,000 Gallons	4.77	per 1,000 gallons
Next	3,000 Gallons	4.07	per 1,000 gallons
Next	19,000 Gallons	3.32	per 1,000 gallons
Next	25,000 Gallons	2.97	per 1,000 gallons
Over	50,000 Gallons	2.67	per 1,000 gallons
Commercial Hauler		\$5.05	per 1,000 gallons
Any Individual who has a Private Loading Unit		\$5.05	per 1,000 gallons
All Water Purchased from Water Coin Vendor		\$5.55	per 1,000 gallons

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